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Message Text

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15
ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 ISO-00 IO-11 FEA-01 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 /110 W
---------- 026251
R 261730Z FEB 76
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 3241
INFO AMEMBASSY OTTAWA

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E. O. 11652: N/A
TAGS: ETRD, MX
SUBJECT: CHANGES IN GSP LIST FOR MEXICO

REF: STATE 042804

1. WE NOTE THAT DROPPED MEXICAN GSP ITEMS TSUS 652.84, AUTOMOBILE SPRINGS; TSUS 660.44, INTERNAL COMBUTION PISTON ENGINES; AND TSUS 688.12, AUTO IGINTION SETS, IN REFTEL PAIR WITH IDENTICAL CANADIAN AUTO FREE TRADE ITEMS TSUS 652.85, 660.45, AND 688.13, RESPECTIVELY. WE SURMISE THAT MEXICO IS LOSING GSP FOR THESE ITEMS BECAUSE IT PROVIDES 50 PERCENT OF IMPORTS OF FIRST THREE TSUS ITEMS. HOWEVER, IT IS LIKELY IT WOULD NOT BE THE MAJOR SUPPLIER IF THE TSUS NUMBERS HAD NOT BEEN SPLIT TO SEPARATE AUTO FREE TRADE WITH CANADA. DOES THIS MEAN THAT THE U.S.-CANADIAN AUTO FREE TRADE AGREEMENT IS GOING TO COST MEXICO GSP IN THE SAME ARTICLES JUST BECAUSE THEY BEAR DIFFERENT TSUS NUMBERS?

2. IF SO, WE WANT TO CALL DEPARTMENT'S ATTENTION
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TO SERIOUS ADVERSE EFFECT THIS WILL HAVE ON U.S.-

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MEXICAN BILATERAL ECONOMIC RELATIONS. IN LAST FEW
WEEKS WE HAVE SEEN EVIDENCE THAT MEXICANS ARE
BEGINNING TO TAKE POSITIVE ATTITUDE TOWARD THE TRADE
ACT AND EARLIER DISTRUST OF U.S. INTENTIONS WAS
DIMINISHING. HOWEVER, LOSS OF SUCH GSP ITEMS COULD
CONFIRM EARLIER MEXICAN SUSPICIONS AND NULLIFY OUR
RECENT GAINS.

3. WE HAVE ALREADY BEEN APPROACHED BY THE LOCAL AMERICAN
DIRECTOR GENERAL OF RASSINI RHEEM, S.A. WHO HAS ASKED
US FOR HELP IN OBTAINING AN EXPLANATION OF WHY MEXICO
(AND HIS FIRM) WILL LOSE THE BENEFIT OF GSP FOR 1976
FOR TSUS 652.84: AUTO LEAF SRPINGS. HIS FIRM EXPORTED
ABOUT $11 MILLION DOLLARS WORTH TO THE U.S. LAST YEAR
AND HE BELIEVES OTHER EXPORTS FROM MEXICO TO THE U.S.
OF THIS ITEM WERE INSIGNIFICANT, BUT THAT CANADIAN
EXPORTS WERE AROUND $30 MILLION. WE WOULD APPRECIATE
BEING PROVIDED WITH AN EXPLANATION TO PASS ON TO RASSINI
RHEEM. AND UTLIMATELY TO THE GOM.
CALDERHEAD

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 26 FEB 1976
Decaption Date: 01 JAN 1960
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